

Health Insurance in South Carolina

Presented to the

South Carolina Health Planning Committee

October 10, 2011

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Research Components

(1) Survey of the General Public

(2) Focus Groups

(3) Key Informants Survey

Survey of the General Public

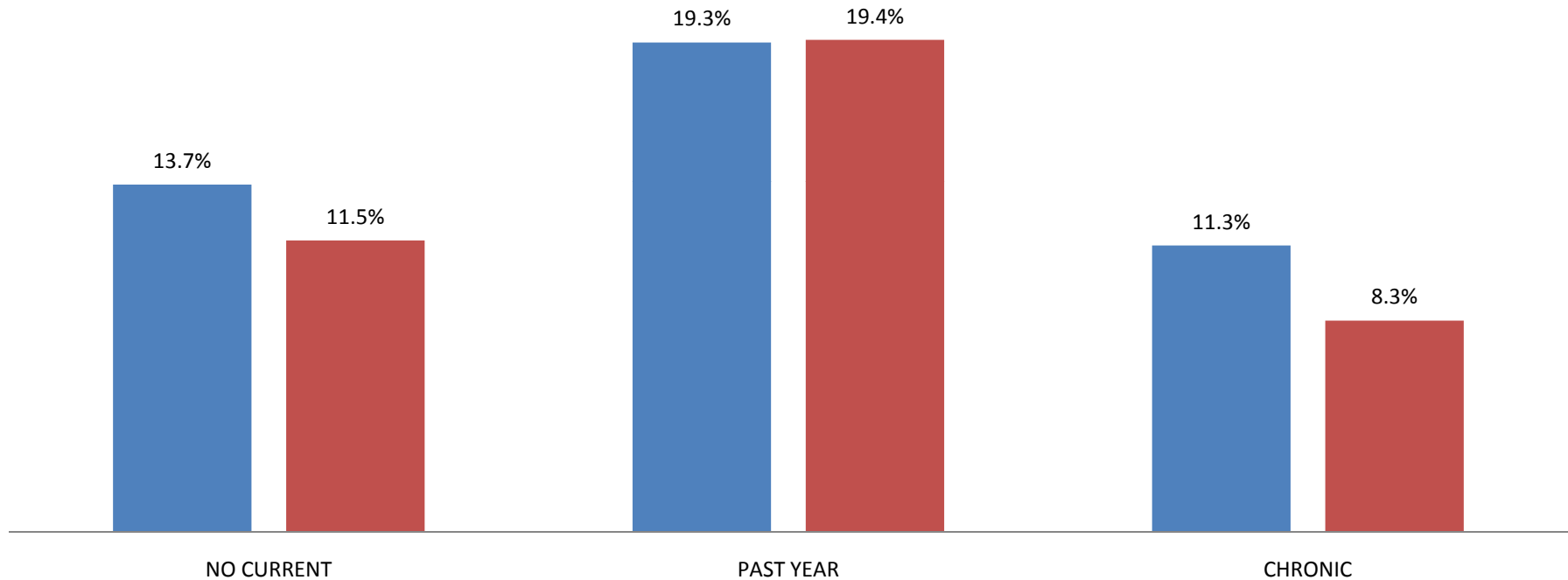
- Telephone survey conducted between June 1 to July 24, 2011
- Interviews completed in 1,649 households, with information collected on 3,843 individuals
- Supplemental sample of 415 households with at least one person without health insurance, representing 601 individuals

Health Insurance Status – 3 Measures

- No health insurance at time of interview
(No Current)
- Uninsured at some time during the past 12 months
(Past Year)
- No health insurance during the past year
(Chronic)

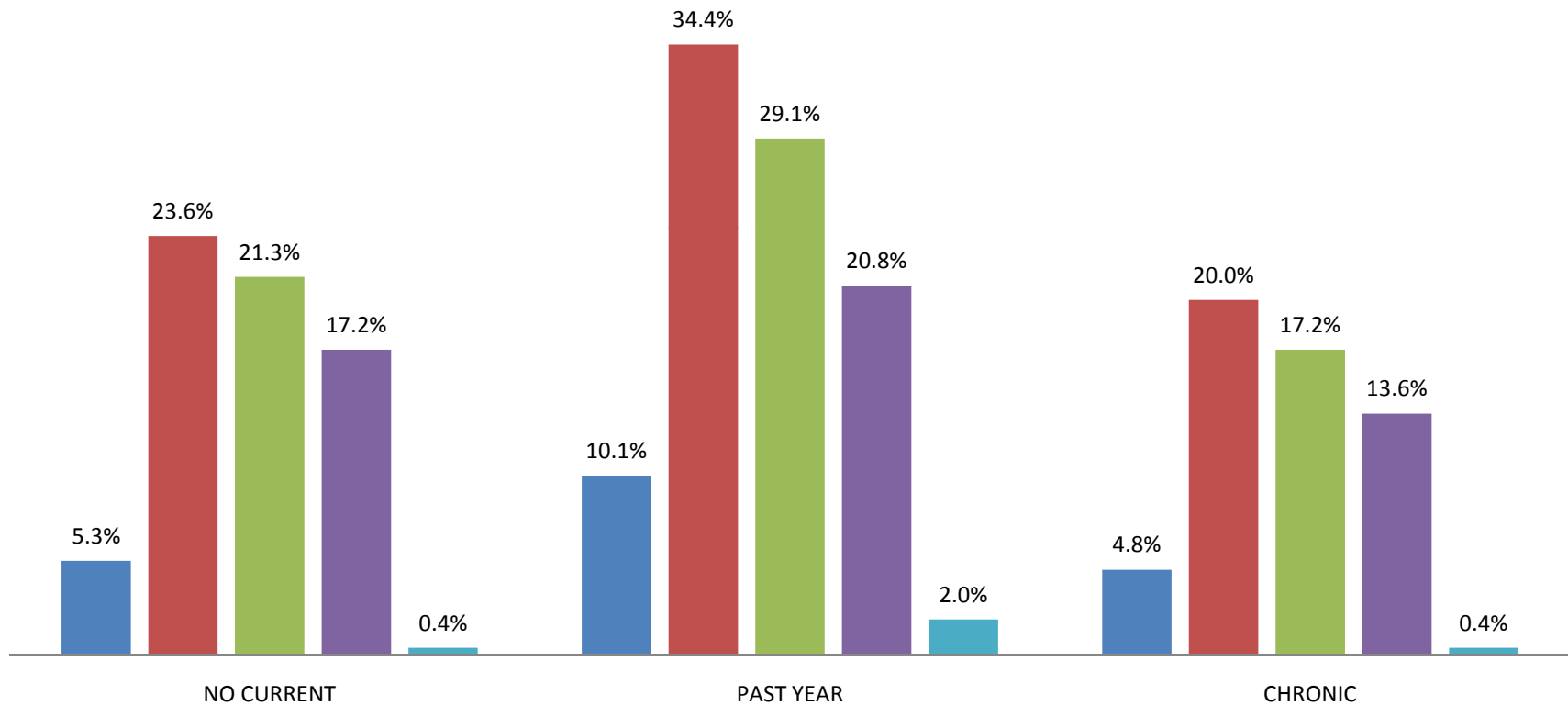
% Uninsured – 2011 and 2003

■ 2011 ■ 2003



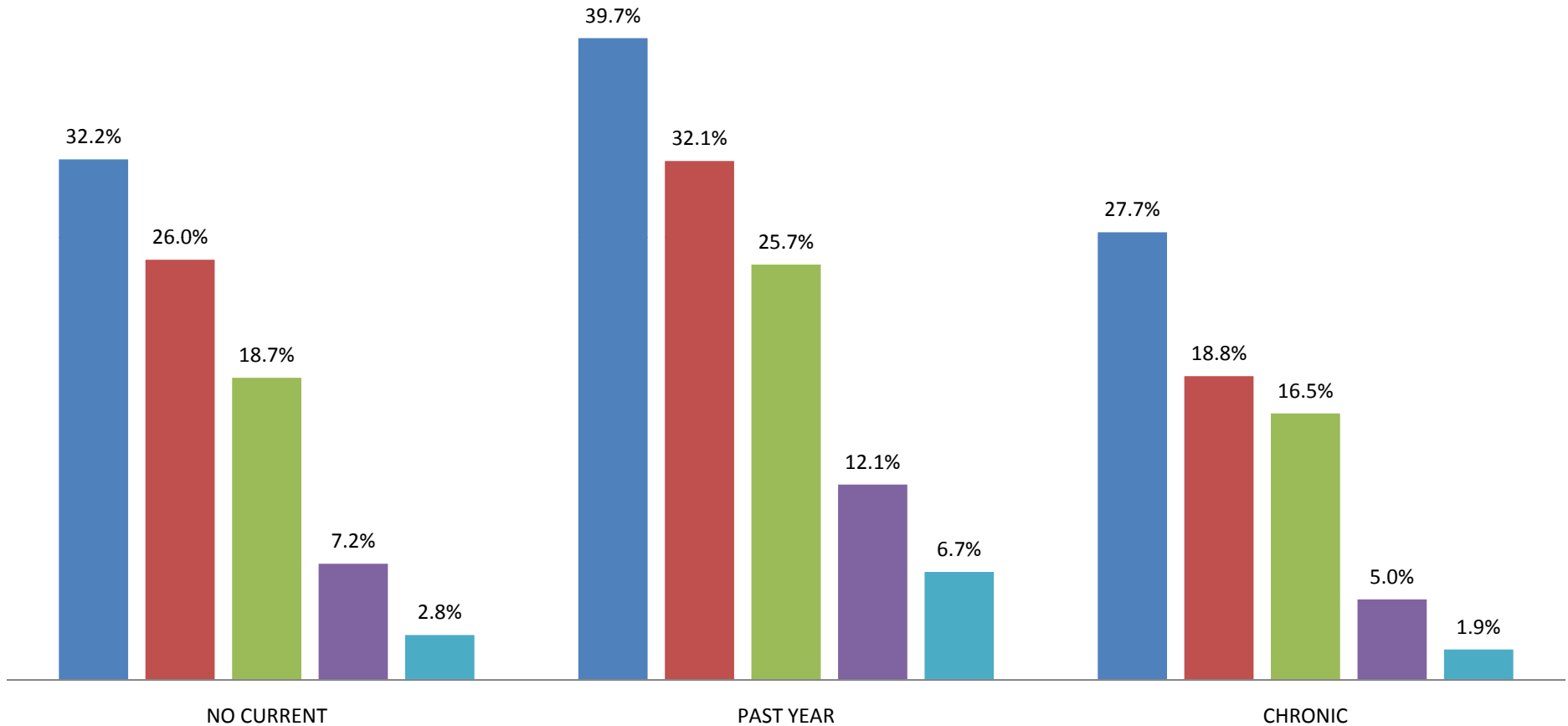
% Uninsured by Age Group

■ LESS THAN 18 ■ 18 - 29 ■ 30 - 44 ■ 45 - 64 ■ 65+

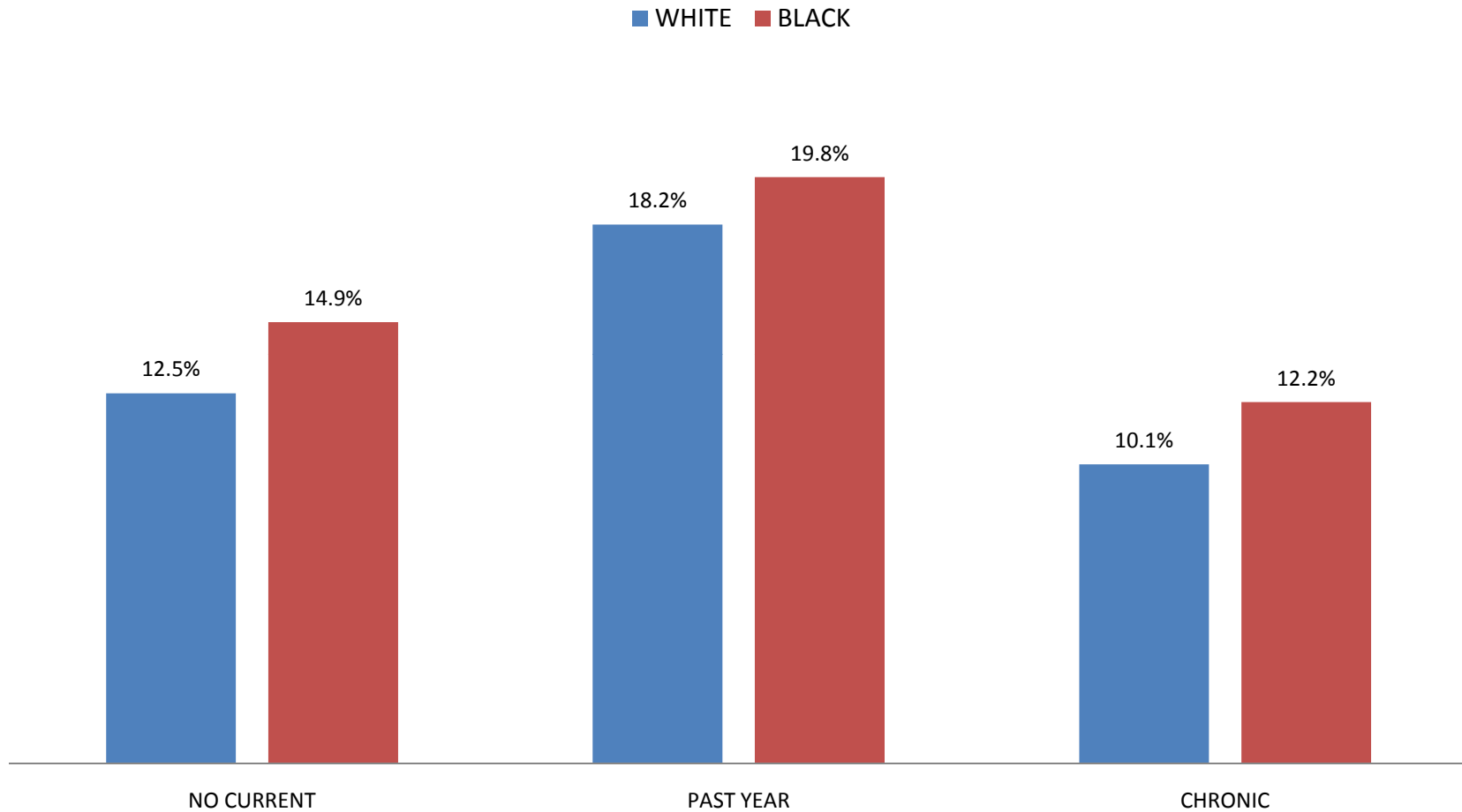


% Uninsured by Federal Poverty Level

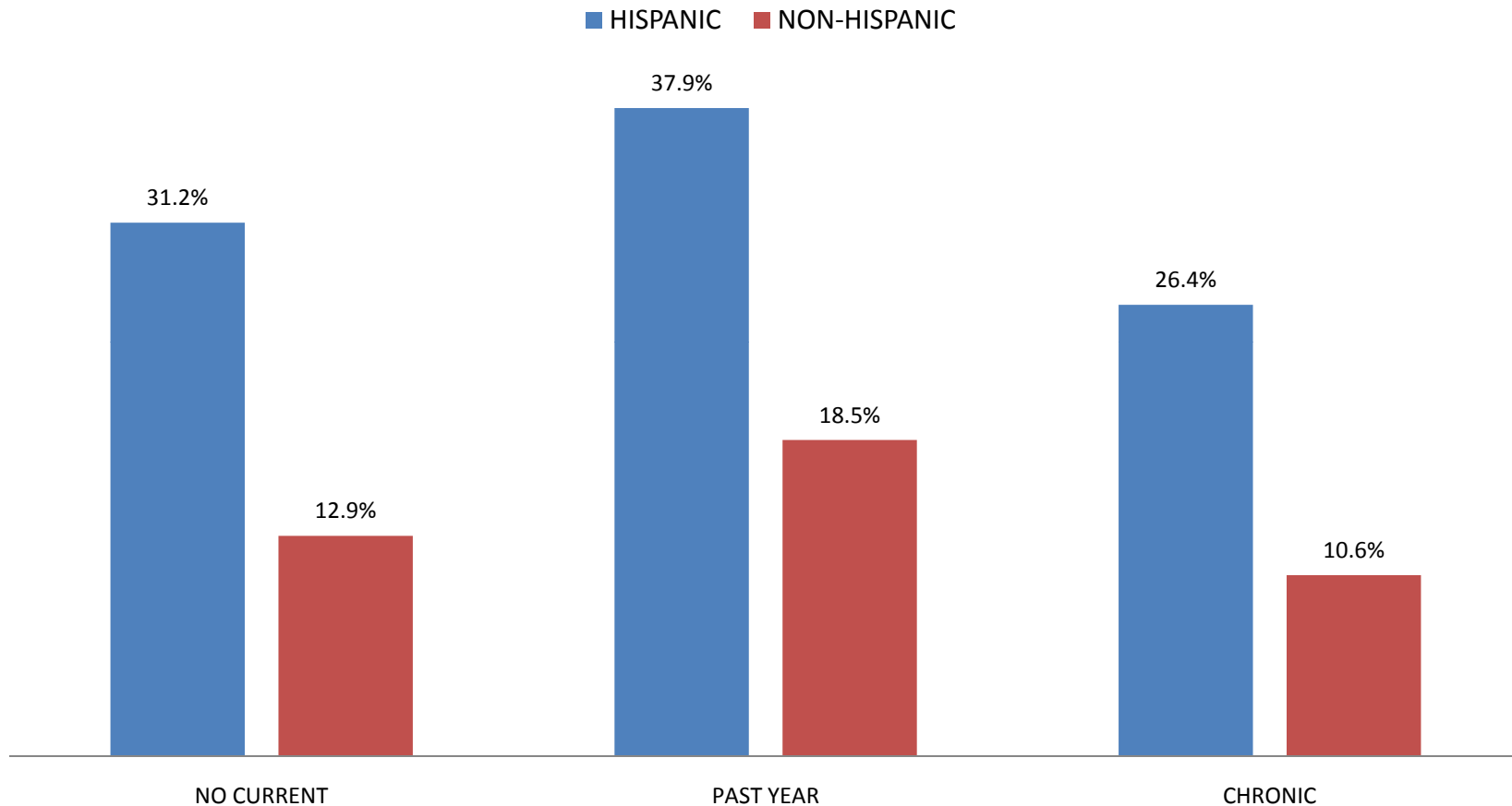
■ LESS THAN 100% ■ 100% - 133% ■ 133% - 200% ■ 200% - 400% ■ MORE THAN 400%



% Uninsured by Race

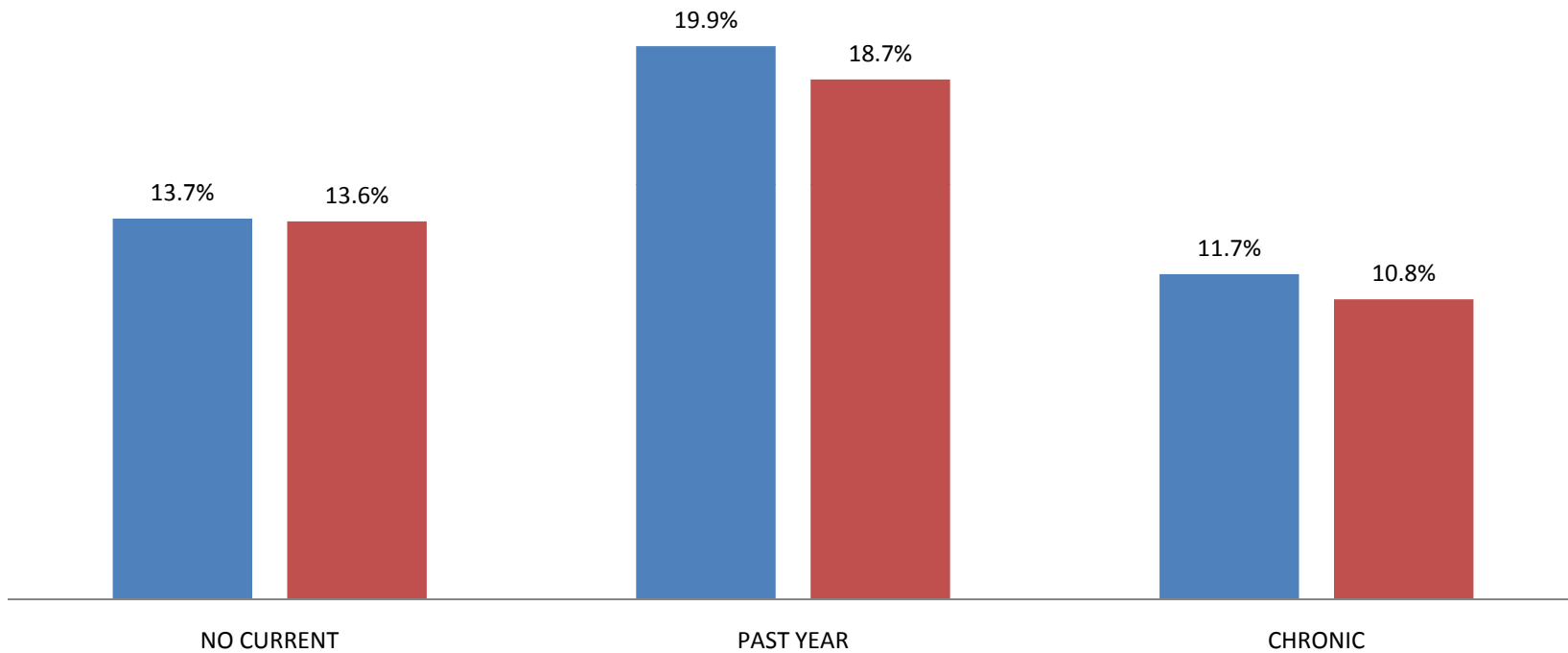


% Uninsured by Hispanic Ethnicity



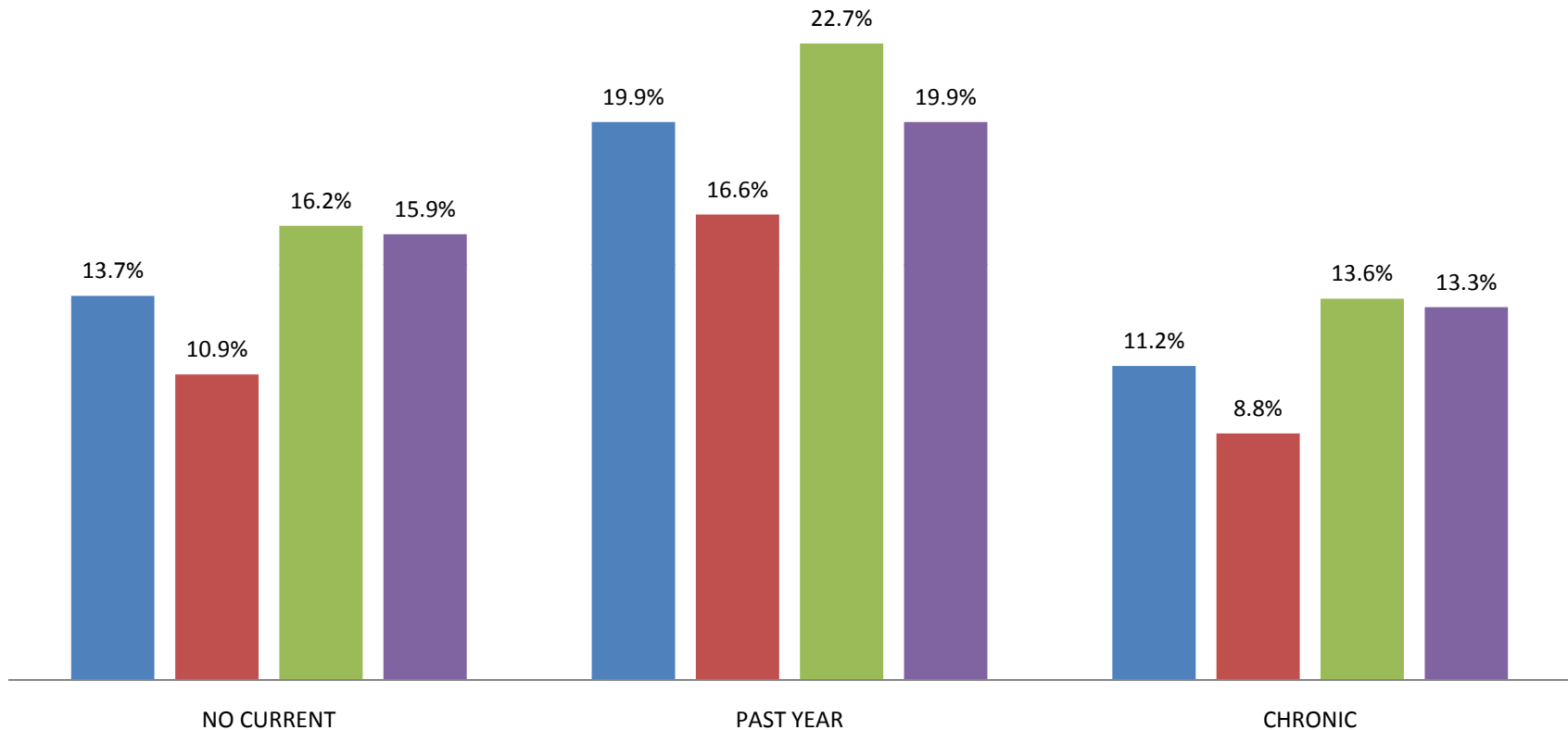
% Uninsured by Gender

■ MALE ■ FEMALE



% Uninsured by Region

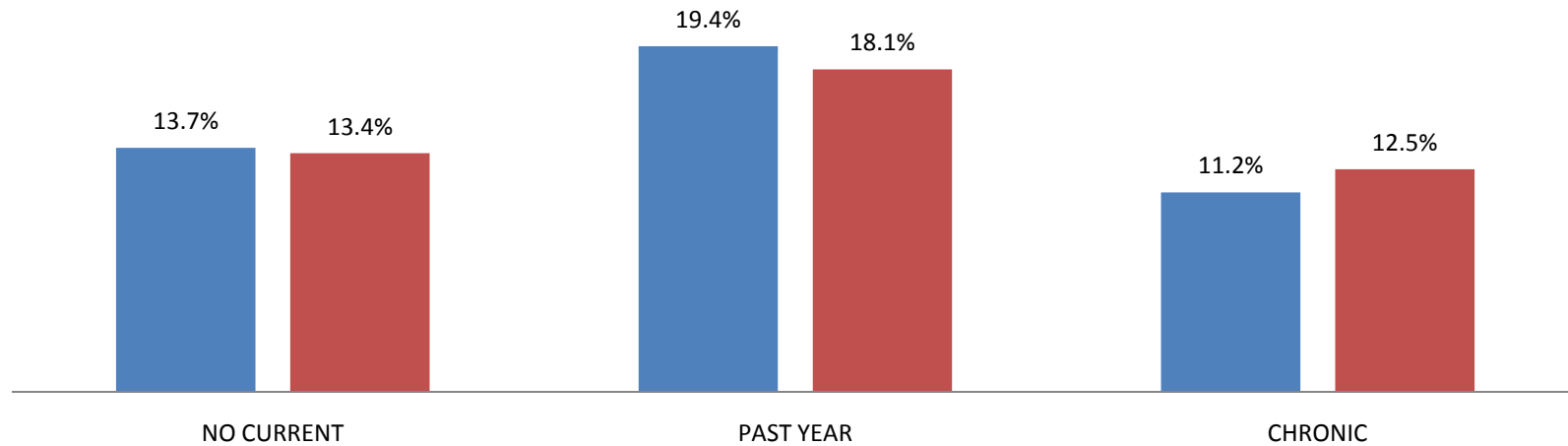
■ UPSTATE ■ MIDLANDS ■ PEE DEE ■ LOW COUNTRY



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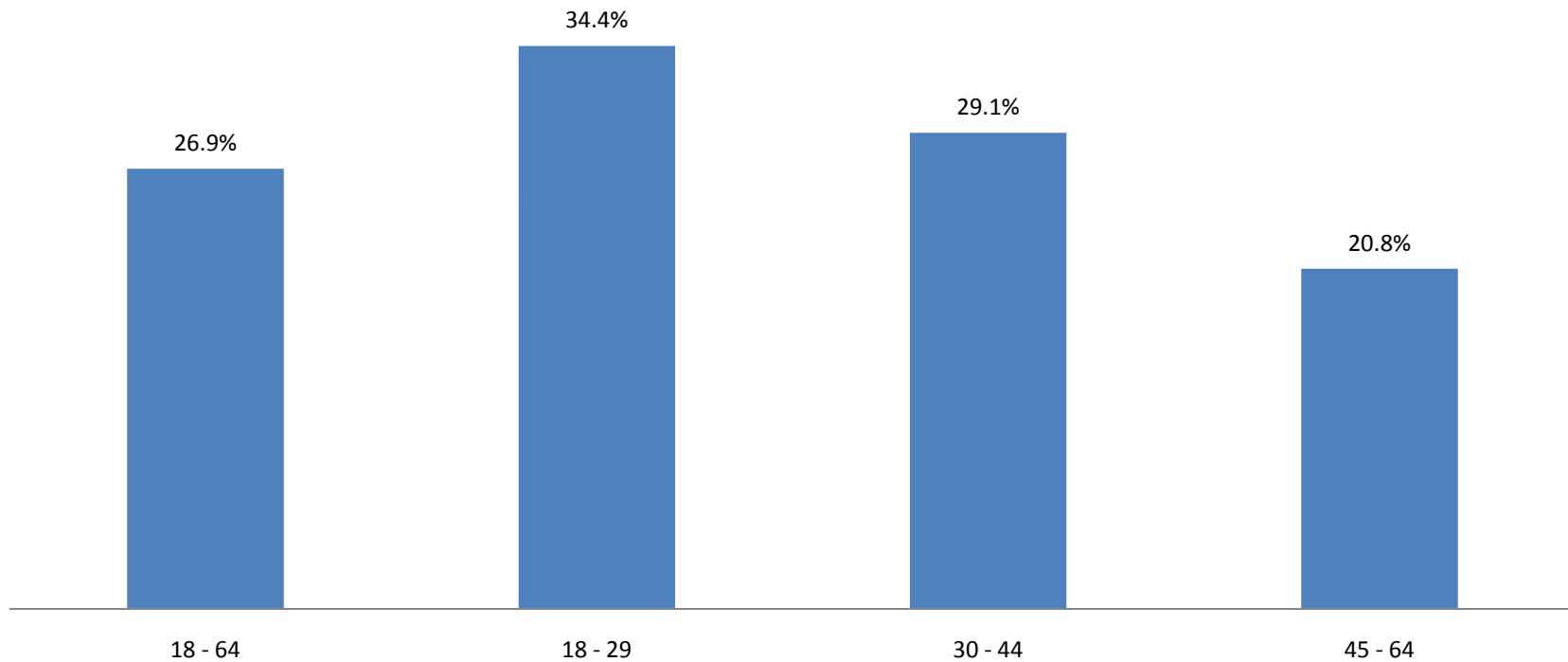
% Uninsured by Urban/Rural Counties

■ URBAN ■ RURAL



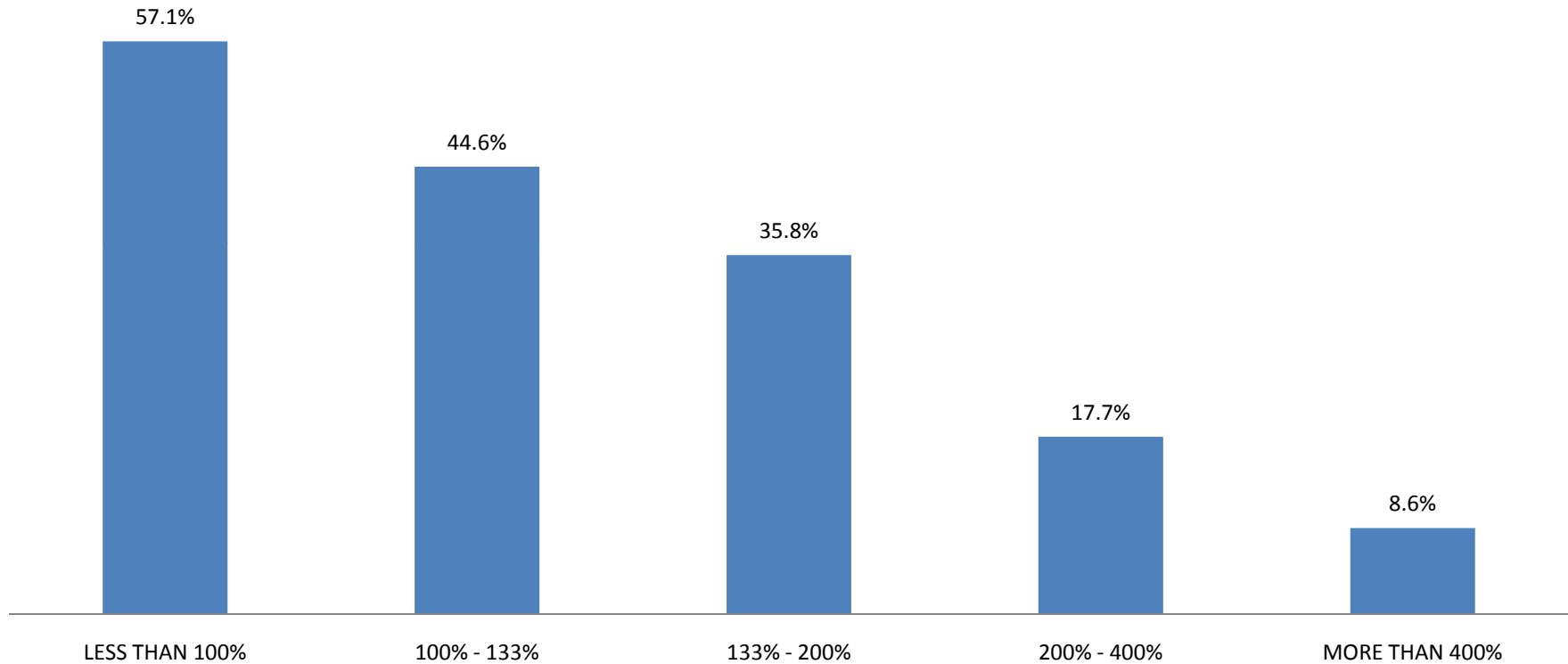
% Uninsured in Past Year

Ages 18 to 64



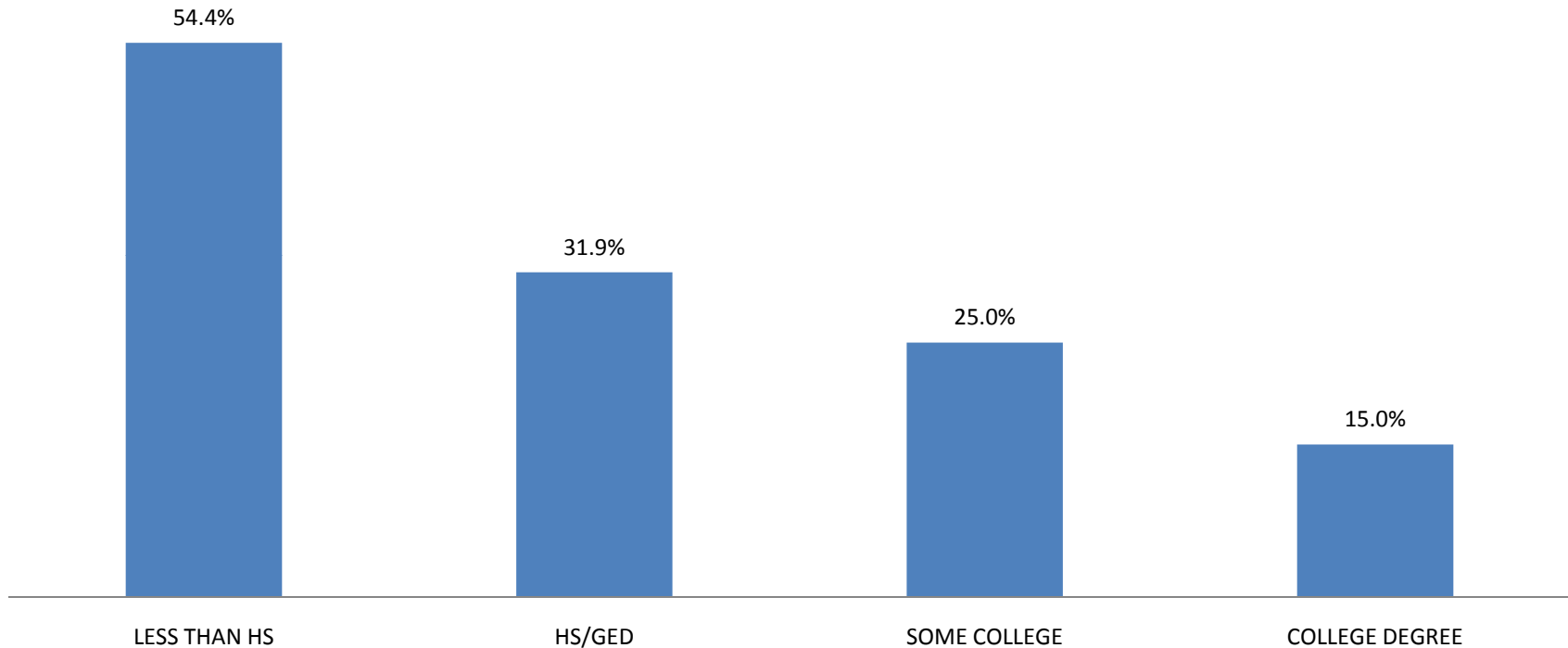
% Uninsured in Past Year by FPL

Ages 18 to 64



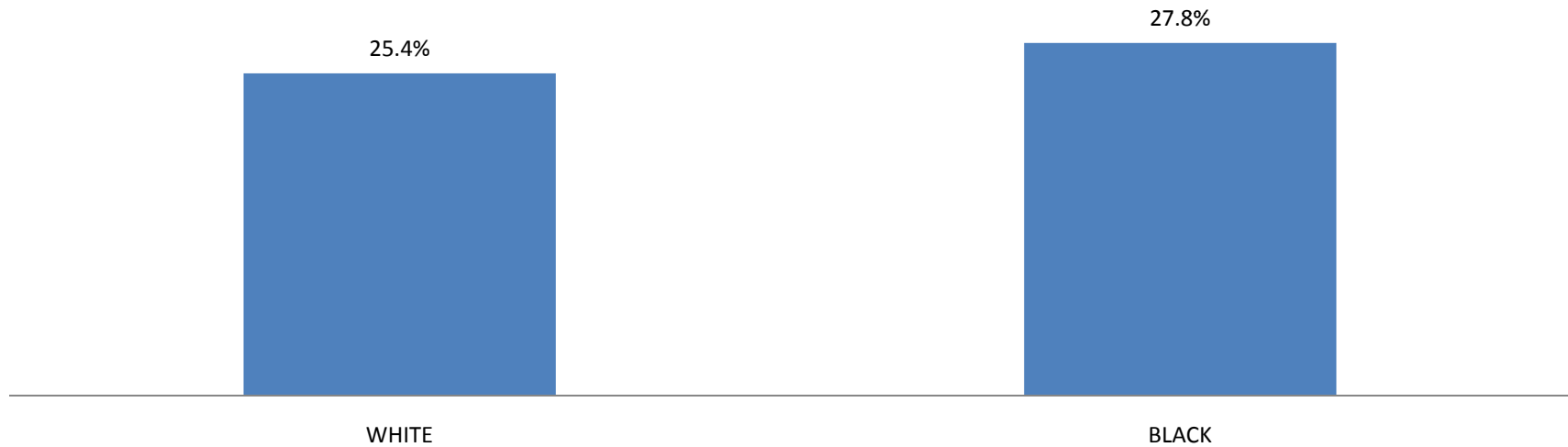
% Uninsured by Education

Ages 18 to 64

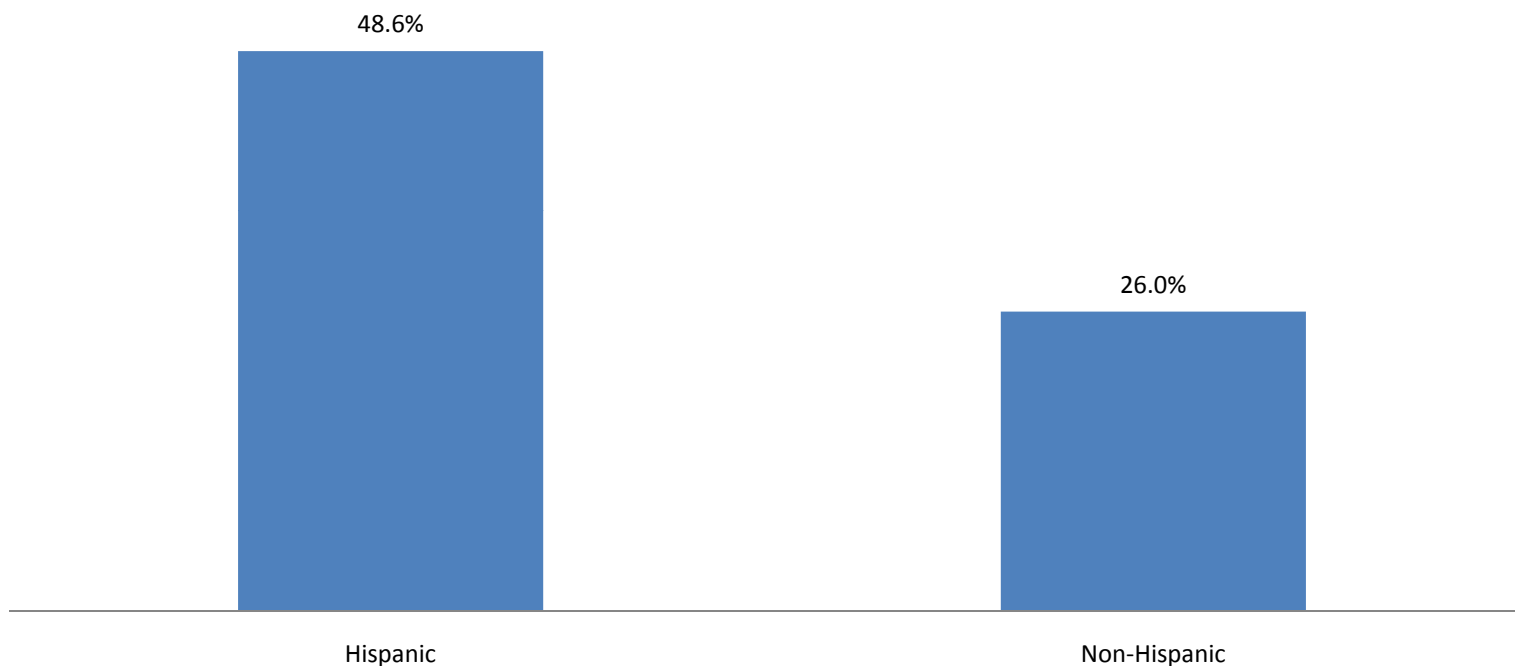


% Uninsured in Past Year by Race

Ages 18 to 64



% Uninsured in Past Year by Ethnicity - Ages 18 to 64



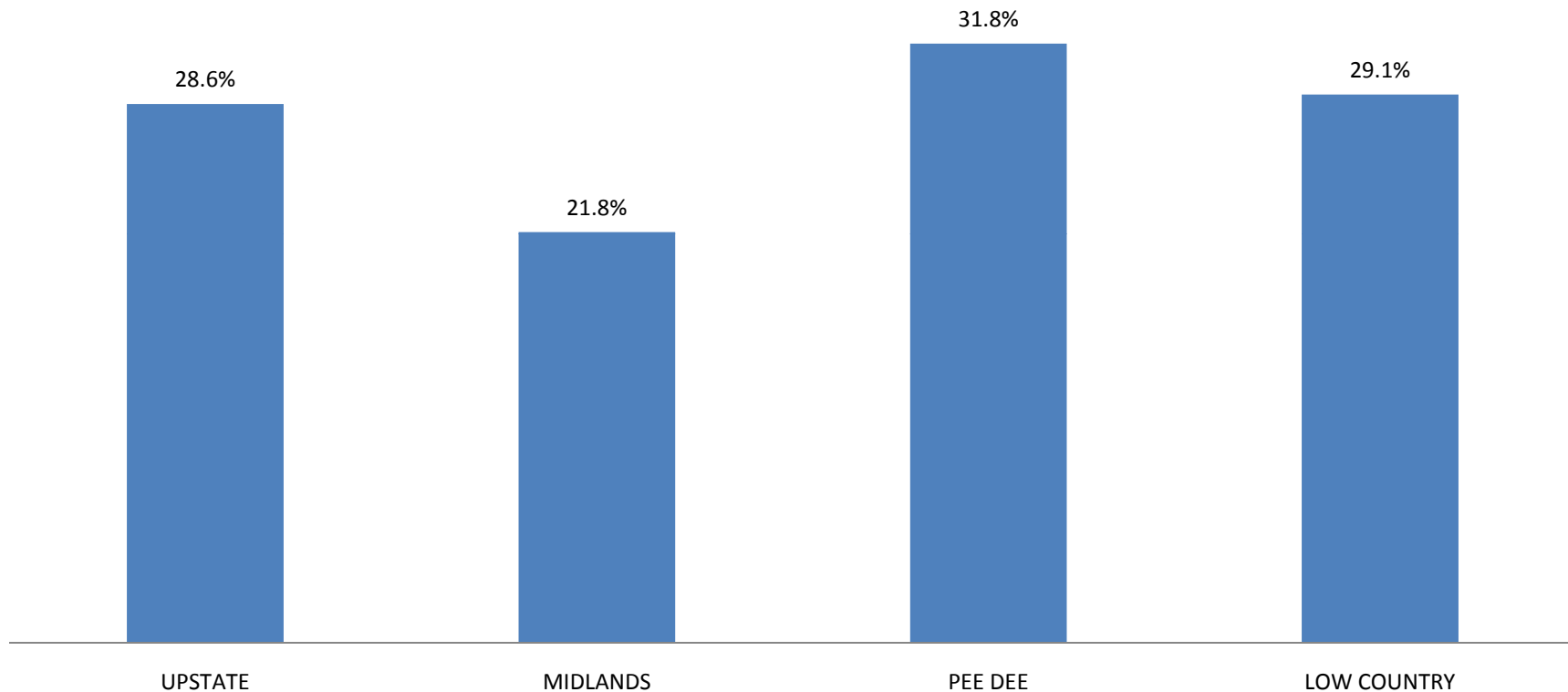
% Uninsured in Past Year by Gender

Ages 18 to 64



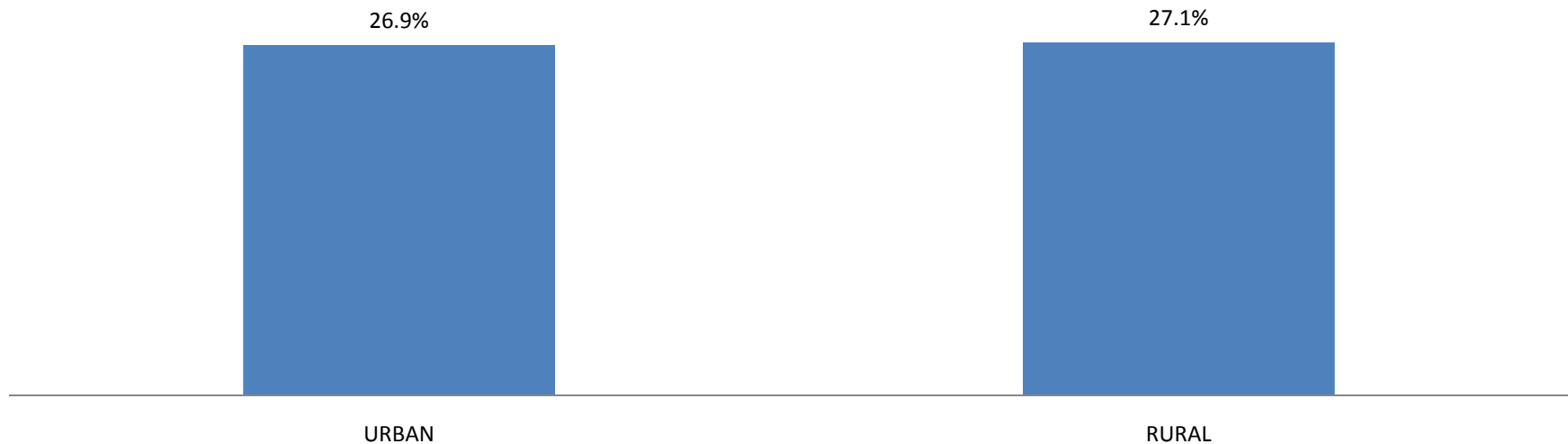
% Uninsured in Past Year by Region

Ages 18 to 64

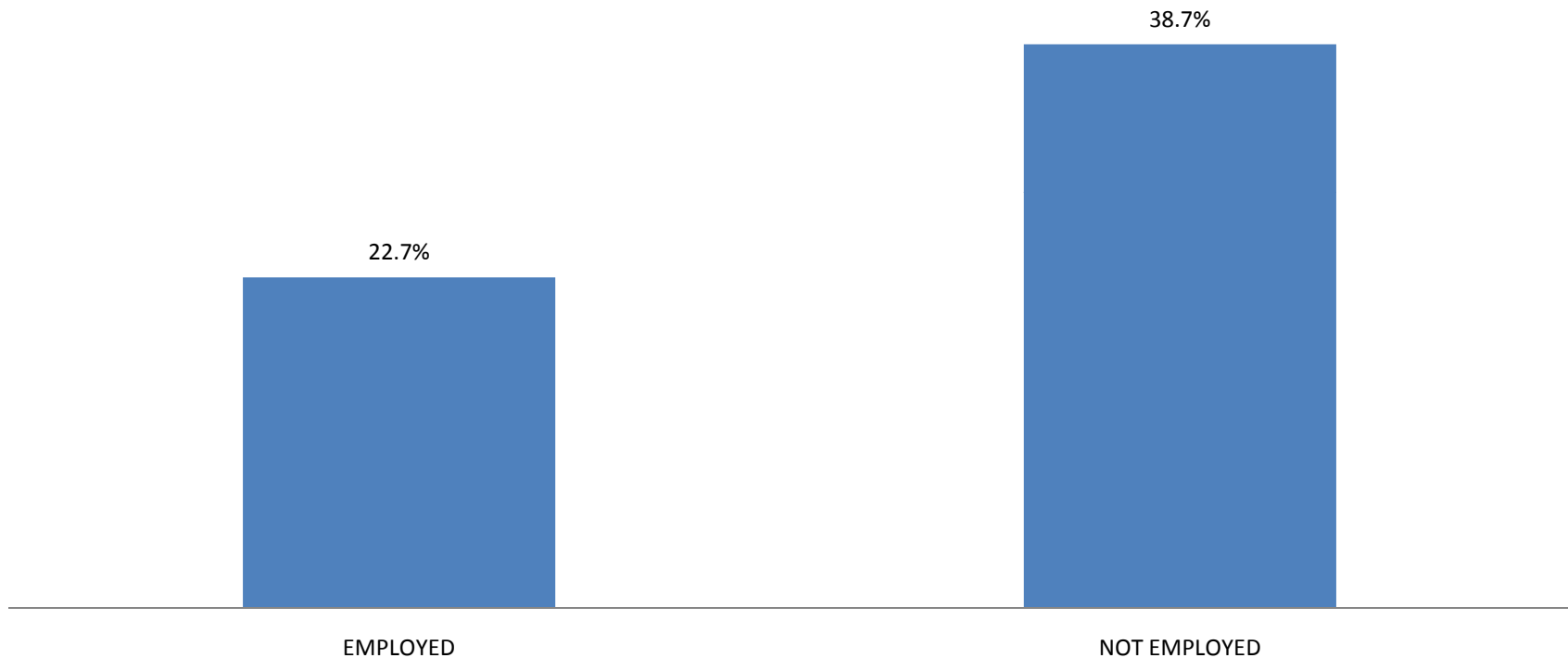


% Uninsured by Urban/Rural Counties

Ages 18 to 64



% Uninsured in Past Year by Employment Status – Ages 18 to 64



The Employed Uninsured Ages 18 to 64

Does Employer Offer Health Insurance?

Yes 40%

No 60%

Reason Not Insured by Employer

- Cannot Afford 38%
- Have Not Worked There Long Enough 17%
- Full-Time Temporary Employee 9%
- Do Not Work Enough Hours in a Week 8%
- Not Eligible 4%

Uninsured – Ages 18 to 64

Insurance Available through Spouse or Partner's Work

Yes 13%

No 87%

Reason Not Insured through Spouse's Work

Ages 18 to 64

- Cannot Afford 54%
- Expect to Get Own Health Insurance Soon 15%
- Will be Covered After Waiting Period 10%
- Won't Allow Coverage Until Marriage 7%

Reason Not Purchase Own Health Insurance

Ages 18 to 64

- Cannot Afford 81%
- Not Working and Cannot Afford 5%
- Do Not Need Health Insurance 2%
- Expect to Get Insurance Soon 2%
- Not Eligible for Reason Other than Health 2%
- Have Not Looked into It 1%

Ever Been Given Information on South Carolina Public Insurance Programs

Uninsured Ages 18 to 64

Yes 31%

No 69%

Enroll in Public Insurance Program if Eligible at No Cost?

Uninsured Ages 18 to 64

Yes 97%

No 3%

Reason Would Not Enroll in Public Insurance Program if Eligible at No Cost

Uninsured Ages 18 to 64

	<u>N</u>
Does not want government support	10
Do not need health insurance	5
Not worth having	5
Strain on public funds	4
Does not meet needs	1
Was treated poorly before	1
More needy people should get it	1

Familiarity with Health Insurance Exchanges

	<u>All</u>	<u>Uninsured (18 - 64)</u>
Very familiar	1%	1%
Somewhat familiar	6%	1%
Not too familiar	6%	4%
Not at all familiar	3%	2%
Never heard of	84%	92%

Internet Use

	<u>All</u>	<u>Uninsured (18 – 64)</u>
Almost every day	57%	49%
4 – 5 days a week	5%	6%
2 – 3 days a week	7%	9%
One day a week or less	11%	10%
Never	20%	26%

Ever Purchase Insurance Products Over the Internet

	<u>All</u>	<u>Uninsured (18 – 64)</u>
Yes	8%	11%
No	92%	89%

Importance in Making Health Plan Decisions (% “very important”)

	<u>All</u>	<u>Uninsured (18 – 64)</u>
Provider quality	92%	92%
Benefits	89%	88%
Premiums	78%	86%
Network of available doctors	74%	70%
Yearly out-of-pocket	72%	71%
Deductible	69%	74%
Co-payments	65%	66%

Key Informants Survey

- Mail survey of individuals with knowledge of health insurance exchanges from different sectors, including large employers, small businesses, health care providers, insurance providers, health care researchers, and non-profit organizations
- Questionnaires were mailed to 125 individuals; 57 completed

Importance of Exchange Objectives

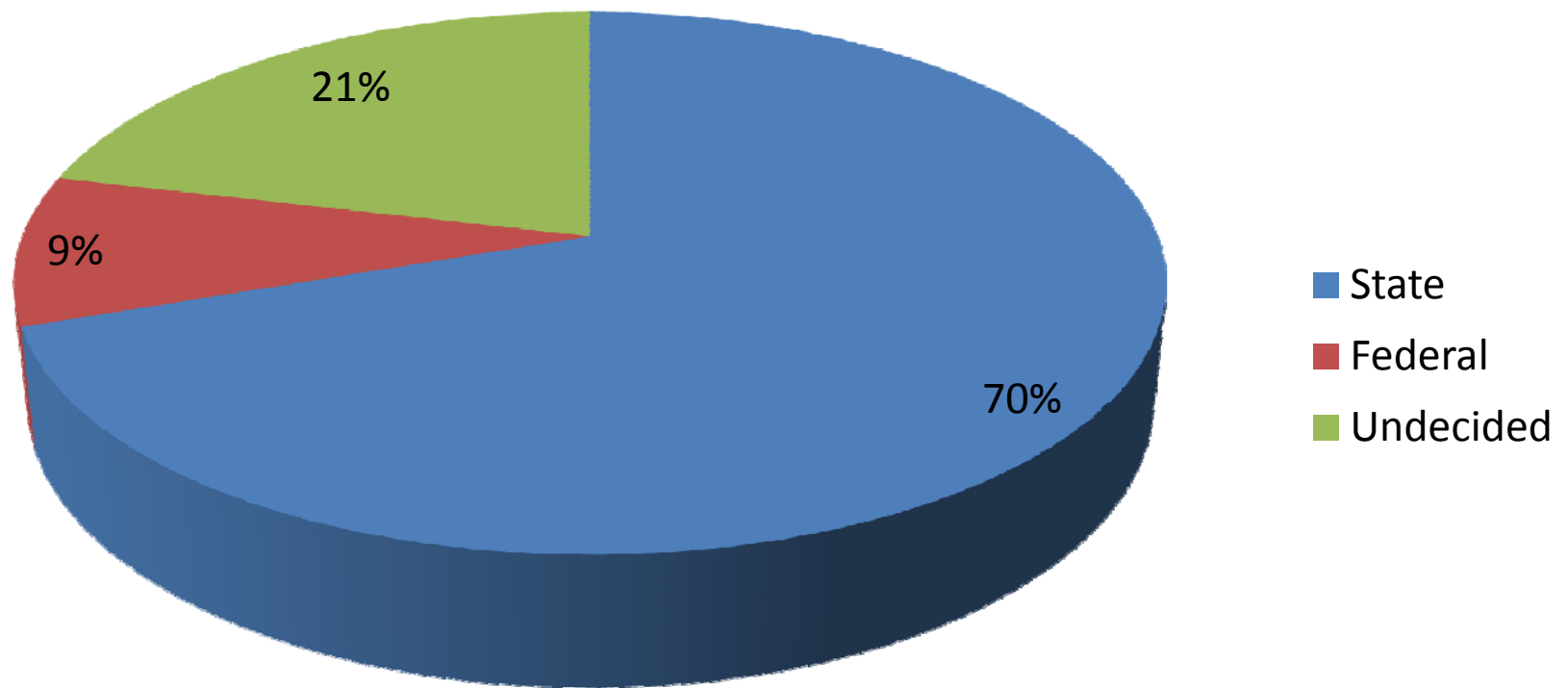
(% “extremely important”)

- Promote and increase competition 62%
- Increase portability and continuity 54%
- Provide cost and quality data 50%
- Driver of quality improvement and cost containment 44%
- Negotiator with health plans 37%
- Help small businesses 32%
- Promote consumer directed plans 31%
- Require additional quality standards 25%

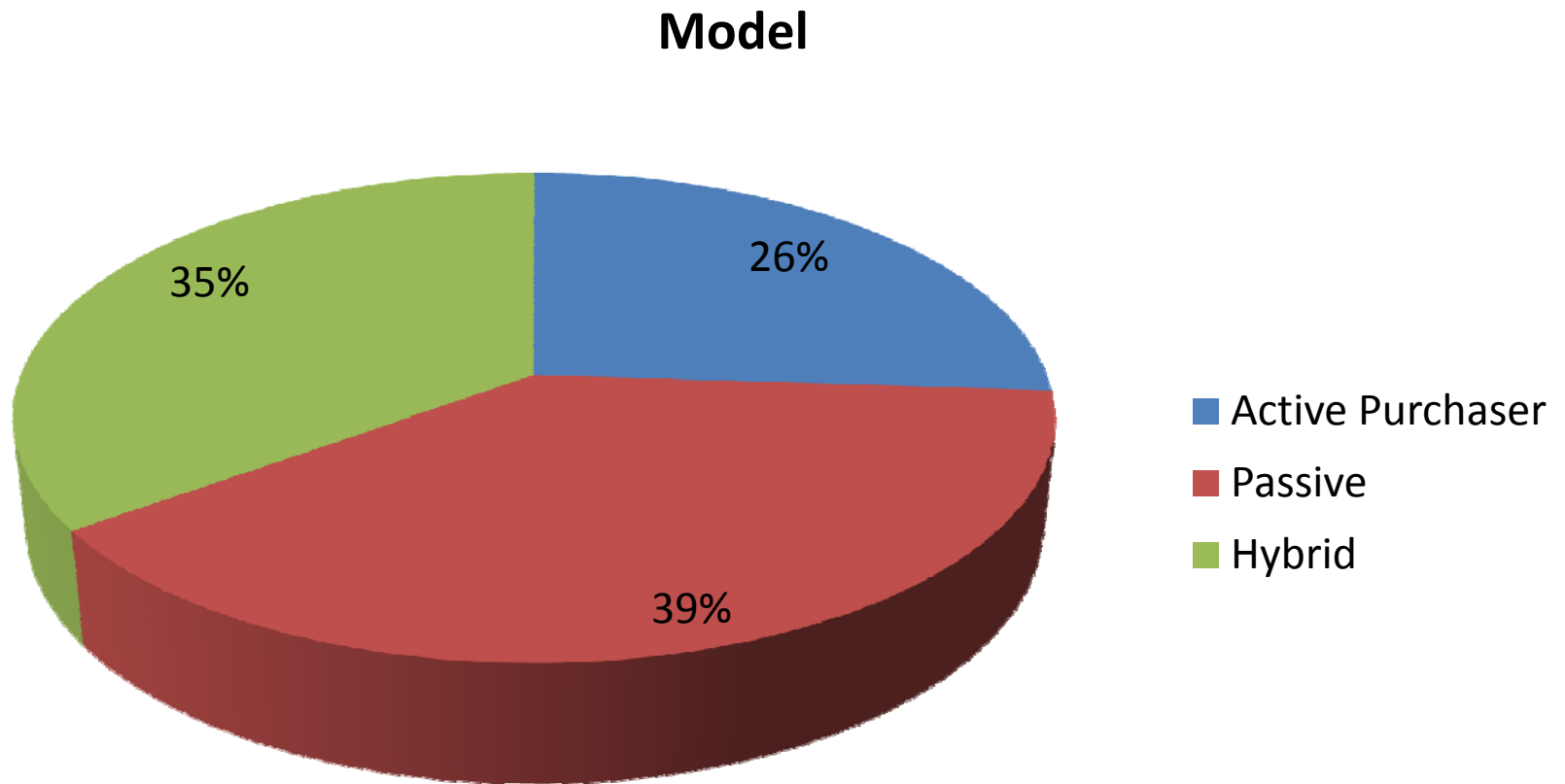
Importance of *Information* for Consumers (% “extremely important”)

- Premium 87%
- Network of available doctors and facilities 74%
- Co-payments 70%
- Yearly maximum out-of-pocket expenses 67%
- Deductible 66%
- Health plan quality 59%
- Health care provider quality 55%
- Co-insurance 52%

State or Federal Exchange



Exchange Business Model



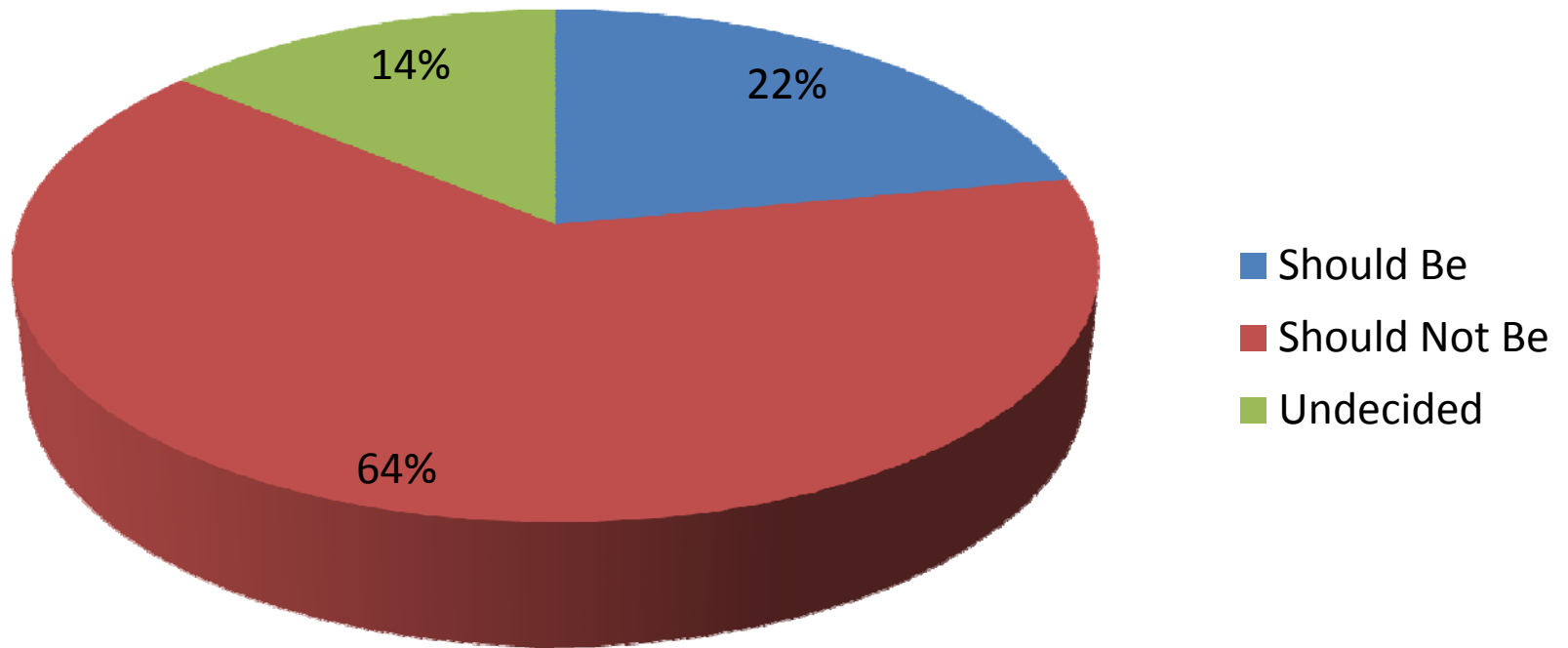
Administrative Location

- Not-for-profit organization 40%
- Quasi-state agency 31%
- Within existing state agency 25%
- New state agency 4%

Exchange Board of Directors

- Board appointed by Governor,
Senate, and House 63%
- Exchange should not have Board 10%
- Board appointed by the Governor 4%
- Other 23%

Pay Board of Directors?



Exchange Sustainability

- Charge insurers a fee to offer plans 76%
- Increase in current premium tax for all health plans sold in South Carolina 49%
- License fees for Navigators 49%
- Increase in the current premium tax on health plans qualified to be sold on the Exchange 45%
- Charge a fee to small businesses 35%
- Charge fee to join a risk pool 33%
- Charge fee to individuals to use the Exchange 29%
- Issue bonds and borrow money 6%
- Create a new tax 4%

Limiting Adverse Selection (% “support”)

- Penalties for dropping/enrolling – individual market 86%
- Penalties for dropping/enrolling – small group market 87%
- Limited enrollment periods for the individual market 67%
- Limited enrollment periods for the small group market 63%
- 30 day waiting period for the individual market 55%
- 30 day waiting period for the small group market 53%

Limiting Adverse Selection

Changing Tiers

	<u>Support</u>	Don't <u>Support</u>	<u>Unsure</u>
Allow individuals to move up or down only one benefit level per year	70%	15%	15%
Charge a fee to move up or down a benefit level	46%	33%	21%
Require individuals to lock in to an Exchange benefit level for a multiple year period	23%	60%	17%

Health Insurance Exchange – Specific Options

	<u>Yes</u>	<u>No</u>	<u>Undecided</u>
• All insurers be required to offer products on the Exchange	38%	39%	23%
• Required to offer plans for both individual and small group markets	80%	16%	4%
• Exchange plans subject to additional requirements for quality and cost of care	46%	28%	26%
• Limited to repricing products only at enrollment/renewal (individual)	93%	4%	4%
• Limited to repricing products only at enrollment/renewal (small group)	95%	2%	4%
• Provide Medicaid vouchers to buy products on the Exchange	60%	18%	21%

Health Insurance Exchange – Specific Options (2)

	<u>Yes</u>	<u>No</u>	<u>Undecided</u>
• Medicaid providers offer comparable product on the Exchange	54%	29%	16%
• Should South Carolina establish a basic health plan	67%	11%	22%
• Should the Exchange collect premium contributions from individuals and distribute them to health insurers	25%	54%	21%

Purchasing on the Exchange

- | | |
|--|-----|
| (1) Buyers should be able to shop, compare, and purchase plans on the Exchange | 73% |
| (2) The Exchange should direct customers to the insurers to complete the purchase of the health plan | 0% |
| (3) The Exchange should direct customers to a listing of approved (State licensed and certified) Navigators to complete selection and enrollment functions | 20% |
| (4) Undecided | 7% |

Key Informants - Summary

- About 70% of these key informants believe that South Carolina should develop its own Health Insurance Exchange; 10% think that the state should default to the Federal Exchange, and 20% are undecided.
- There is disagreement over the type of purchasing model a State Health Exchange should adopt: approximately 40% prefer a passive clearinghouse model, about 25% favor an active purchaser model, and 35% support some hybrid of the two.

Key Informants – Summary (2)

- The three objectives for the Exchange that are considered to be most important are promoting and increasing competition among health insurers, increasing portability and continuity of health coverage, and providing cost and quality data on health care providers.
- Administratively, the preference is for the Exchange to be either a not-for-profit organization or a quasi-state agency; a Board should be appointed by the Governor, the Senate, and the House.

More Information

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